



# TOWN OF FREDERICK

401 LOCUST STREET • P.O. BOX 435 • FREDERICK, CO 80530-0435  
PHONE: (303) 833-2388 • FAX: (303) 833-3817  
WEBSITE: WWW.FREDERICKCO.GOV

## Finance and Human Resources Department

June 3, 2009

Dean Hubbuck  
United Power, Inc.  
PO Box 929  
Brighton, CO 80601

Dear Mr. Hubbuck,

The Town is interested in resolving the method for handling uncollectible electric accounts. We appreciate your most recent offer that United Power write-off all bad debt through December 2008 if the Town took over the responsibility of collecting delinquent accounts from that date forward. As you know, the Town was not aware of the uncollected debt issue until some time in 2008.

The conversations I have had with Derek Todd, Richard Leffler, and the Town's Legal Department regarding the uncollectible accounts have brought up several questions that need to be addressed before bringing this item to the Board of Trustees. These questions are:

1. Who drafted the original operating agreement between the Town of Frederick and United Power dated March 7, 1997? Who was involved in drafting the agreement dated April 25, 2003?
2. This contract was renegotiated in 2003. Why were the uncollectible accounts not an issue then?
3. What services and charges are covered by the O&M fees? We have no way of knowing if the monthly charge was or was not settled upon with that debt included or in mind.
4. Why have the summaries always reported billed amounts instead of collected amounts?
5. Has a list of maintenance items performed on the Frederick system been compiled as requested several months ago?

Please let me know when you would like to meet to discuss these items.

Sincerely,

Marcia Lierman  
Finance/HR Director